



ADVANTAGE

ENERGY INCOME FUND

Advantage Energy Income Fund – News Release

July 8, 2003

Advantage Announces Closing of \$30 Million Convertible Debenture Financing

(TSX: AVN.UN)

Calgary, July 8, 2003 - Advantage Energy Income Fund (TSX: AVN.UN) ("Advantage" or the "Fund") has closed its previously announced issue of \$30 million principal amount of 9.00% Convertible Unsecured Subordinated Debentures (the "Convertible Debentures"). The offering was made on a bought deal basis through a syndicate of underwriters led by Scotia Capital and included BMO Nesbitt Burns Inc., National Bank Financial Inc., CIBC World Markets Inc. and FirstEnergy Capital Corp. The Convertible Debentures, with a face value of \$1,000 per debenture, have a coupon of 9.00%, mature on August 1, 2008 and are convertible into trust units of Advantage at a price of \$17.00 per trust unit. Purchasers converting their Convertible Debentures will receive accrued and unpaid interest thereon. Purchasers of the Convertible Debentures will receive interest semi-annually with the first interest payment on February 1, 2004. The Convertible Debentures are listed for trading on the TSX (AVN.DB.A).

The net proceeds of the offering will be used to fund the previously announced expanded capital expenditures program aimed primarily at shallow, long life natural gas infill and development drilling projects. In the interim the net proceeds were used to repay outstanding indebtedness.

The offering of Convertible Debentures was made in Canada pursuant to a short-form prospectus, to Qualified Institutional Buyers in the United States pursuant to the exemption from registration provided by Rule 144A under the Securities Act of 1933 and internationally as permitted.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction.

This press release is not for release or distribution in the United States.

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